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PATTON BOGGS LLP
ATTORNEYS AT LAW

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

2550 M Street, NW
Washington, DC 20037
202-457-6000

202-457-6315

www.pattonboggs.com

October 5, 2006

Benjamin L. Ginsberg
202-457-6405
bginsberg@pattonboggs.com

HAND DELIVERED

Jeff S. Jordan, Esquire
Complaints Examination & Legal Administration
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

RE: MUR 5789, Martinez for Senate and
Nancy H. Watkins, as treasurer

Dear Mr. Jordan:

On behalf of our clients, Martinez for Senate and Nancy H. Watkins, as treasurer (the "Committee"), this responds to your letter dated August 31, 2006, notifying them of a complaint alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), from Citizens for Responsibility and Ethics in Washington.

At the outset, we bring to your attention the complainant's history of filing nuisance complaints involving these and other parties where the Commission has ultimately closed the file, found no reason to believe any violation occurred, or concluded the matter with a relatively insubstantial (or no) civil penalty. See, e.g., (1) MUR 5448 (ADR 182) (U.S. Cuba Democracy PAC) (\$0 civil money penalty); (2) MUR 5439 (ADR 173) (Bacardi, USA, Inc. PAC) (\$750 civil penalty); (3) MUR 5671 (ADR 298) (Bacardi USA, Inc. PAC) (complaint dismissed, \$0 civil penalty); (4) MUR 5710 (ADR 333) (Citizens for Bunning) (complaint dismissed, \$0 penalty); (5) MUR 5409 (Americans for Tax Reform) (no further action, \$0 penalty); (6) MUR 5475 (Nader for President) (no reason to believe, \$0 civil penalty); (7) MUR 5489 (Bush-Cheney '04) (no reason to believe regarding Bush-Cheney '04, \$0 civil penalty); (8) MUR 5677 (Hastert for Congress) (no reason to believe, \$0 civil penalty).¹ We respectfully submit that the Commission

¹ In another matter, Citizens for Responsibility and Ethics in Washington ("CREW") filed a complaint based on a publicly released Commission Audit Report. Audit Reports provide an independent basis for Commission

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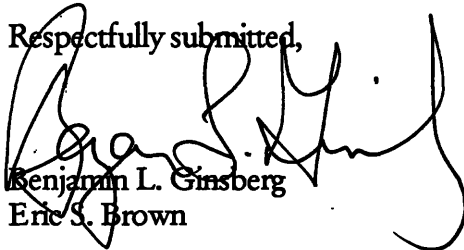
cannot disregard the complainant's desire to extract nuisance costs and the significant waste of resources these matters have consumed.

As an initial matter, the complainant has certainly disregarded the Commission rule requiring a "clear and concise recitation of the facts which describe a violation of a statute or regulation over which the Commission has jurisdiction," 11 C.F.R. § 111.4(d)(3). Notwithstanding that fact, as best as can be determined, the complainant's first allegation is that a corporation violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 114.2(f) by "providing food and liquor for the May 11, 2004 Martinez for Senate fundraising event without receiving advance payment for the fair market value of those goods and services" and "using a corporate list of vendors to solicit contributions or distribute invitations" to the event." Yet, as complainant's own Exhibit 1 shows, Bacardi USA, Inc. Political Action Committee disclosed an in-kind contribution to the Committee for fundraising expenses. The de minimus amount of the activity in question, less than \$500, further supports a finding of no reason to believe.

The complainant further alleges that the Committee violated 2 U.S.C. § 434(b)(3)(A) and 11 C.F.R. § 100.12 by purportedly failing to use its best efforts to identify certain contributors and requests that the Commission conduct and audit and field investigation of Committee. The Committee is now the subject of a Commission audit covering these issues, and has cooperated with the Audit Division. Minor, technical reporting violations, if any, should be resolved in the audit context.

For the foregoing reasons, the Commission should find no reason to believe that the Committee violated any provision of the Act in this matter and dismiss the complaint. Please do not hesitate to contact us if you have any further questions.

Respectfully submitted,



Benjamin L. Ginsberg
Eric S. Brown

enforcement action under 2 U.S.C. § 437g(a)(2) ("information ascertained in the normal course of carrying out its supervisory responsibilities). See MUR 5675 (Americans for a Republican Majority). Thus, notwithstanding CREW's claims in public relations statements, they cannot be credited with bringing that matter to the Commission's attention. See CREW Press Release, Aug. 12, 2005, available at <http://www.citizensforethics.org/activities/campaign-press.php?view=72> ("... CREW's complaint ensures an investigation by the Enforcement Division.").